

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

1a. Type of Work DRILL	5. Lease Number NMSF-078716A Unit Reporting Number
1b. Type of Well GAS	6. If Indian, All. or Tribe
2. Operator BURLINGTON RESOURCES Oil & Gas Company, LP	7. Unit Agreement Name
3. Address & Phone No. of Operator PO Box 4289, Farmington, NM 87499 (505) 326-9700	8. Farm or Lease Name Hubbell 9. Well Number #3N
4. Location of Well Unit B (NWNE), 940' FNL & 1910' FEL Latitude 36° 43.8367'N Longitude 107° 55.3536'W	10. Field, Pool, Wildcat Basin DK / Blanco MV 11. Sec., Twn, Rge, Mer. (NMPM) Sec. 18, T29N, R10W API # 30-045- 33759
14. Distance in Miles from Nearest Town	12. County San Juan 13. State NM
15. Distance from Proposed Location to Nearest Property or Lease Line 940'	
16. Acres in Lease	17. Acres Assigned to Well MV/DK - E/2 320.850 acres
18. Distance from Proposed Location to Nearest Well, Drig, Compl, or Applied for on this Lease	
19. Proposed Depth 6591'	20. Rotary or Cable Tools Rotary
21. Elevations (DF, FT, GR, Etc.) 5644' GL	22. Approx. Date Work will Start
23. Proposed Casing and Cementing Program See Operations Plan attached	
24. Authorized by: <u>Patsy Clugst</u> Sr. Staff Specialist	<u>5/24/06</u> Date

PERMIT NO. _____ APPROVAL DATE _____
APPROVED BY [Signature] TITLE Acting AFM DATE 6/8/06

Archaeological Report attached

Threatened and Endangered Species Report attached

NOTE: This format is issued in lieu of U.S. BLM Form 3160-3

Title 18 U.S.C. Section 1001, makes it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or presentations as to any matter within its jurisdiction.

DRILLING OPERATIONS AUTHORIZED ARE
SUBJECT TO COMPLIANCE WITH ATTACHED
GENERAL REQUIREMENTS.

This action is subject to technical and
procedural review pursuant to 43 CFR 3165.3
and appeal pursuant to 43 CFR 3169.4

NMOC

DISTRICT I
1625 N. French Dr., Hobbs, N.M. 88240

DISTRICT II
1301 W. Grand Ave., Artesia, N.M. 88210

DISTRICT III
1000 Rio Brazos Rd., Aztec, N.M. 87410

DISTRICT IV
1220 South St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
Energy, Minerals & Natural Resources Department

OIL CONSERVATION DIVISION

1220 South St. Francis Dr.
Santa Fe, NM 87505

Form C-102

Revised October 12, 2005

Submit to Appropriate District Office

State Lease - 4 Copies

Fee Lease - 3 Copies

☐ AMENDED REPORT

2006 MAY 24 PM 1 36

WELL LOCATION AND ACREAGE DEDICATION PLAT

*API Number 30-045-- 33759	*Pool Code 71599/72319	*Pool Name Basin Dakota/ Blanco Mesaverde
*Property Code 7133	*Property Name HUBBELL	*Well Number 3N
*GRID No. 14538	*Operator Name BURLINGTON RESOURCES OIL & GAS COMPANY LP	*Elevation 5644

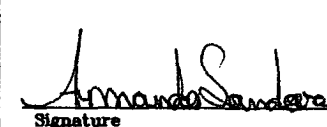
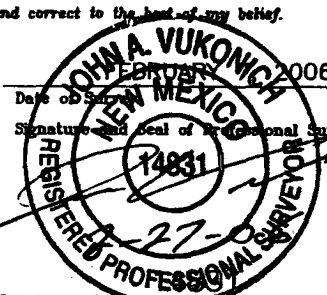
¹⁰ Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
B	18	29-N	10-W		940	NORTH	1910	EAST	SAN JUAN

¹¹ Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
¹² Dedicated Acres 320.850 E2 MV/DK			¹³ Joint or Infill		¹⁴ Consolidation Code		¹⁵ Order No.		

NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED
OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

16	FD 3 1/4" B.L.M. BC. 1967	LOT 6 35.57	LOT 5 38.26	S 87-01-34 W 2589.70' (C) CAL'CD. CORNER FD 3 1/4" B.L.M. BC. 1967	1910'	17	OPERATOR CERTIFICATION <i>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or released mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.</i>  Signature 3-1-06 Date Amanda Sandoval Printed Name Regulatory Assistant III	
LAT. 36.73062" N. (NAD 83) LONG. 107.92318" W. (NAD 83) LAT. 36°43.8367' N. (NAD 27) LONG. 107°55.3536' W. (NAD 27)				USA SF-078716-A	LOT 7 38.84	N 00-04-51 E 2579.41' (M)		
18								
LOT 3				FD 3 1/4" B.L.M. BC. 1967	LOT 8 40.76		18	SURVEYOR CERTIFICATION <i>I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.</i>  Date of Survey Signature and Seal of Professional Surveyor: Certificate Number
LOT 4				LOT 9 40.49	LOT 10 40.76			

Office

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District IV

1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico

Energy, Minerals and Natural Resources

OIL CONSERVATION DIVISION

1220 South St. Francis Dr.

Santa Fe, NM 87505

Form C-103

May 27, 2004

SUNDRY NOTICES AND REPORTS ON WELLS
(DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS.)

1. Type of Well:

Oil Well ☐Gas Well ☒

Other

2. Name of Operator

BURLINGTON RESOURCES OIL & GAS COMPANY LP

3. Address of Operator

3401 E. 30TH STREET, FARMINGTON, NM 87402

4. Well Location

Unit Letter B : 940 feet from the North line and 1910 feet from the East line
 Section 18 Township 29N Range 10W NMPM County San Juan

11. Elevation (Show whether DR, RKB, RT, GR, etc.)

5644' GL

Pit or Below-grade Tank Application

☐ or Closure ☐

Pit type

New Drill

Depth to Groundwater

>100

Distance from nearest fresh water well

>1000'

Distance from nearest surface water

<1000

Pit Liner Thickness:

12

mil

Below-Grade Tank:

Volume

bbls;

Construction Material

12. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data

NOTICE OF INTENTION TO:

PERFORM REMEDIAL WORK ☐PLUG AND ABANDON ☐TEMPORARILY ABANDON ☐CHANGE PLANS ☐PULL OR ALTER CASING ☐MULTIPLE COMPL ☐

OTHER:

New Drill ☒

SUBSEQUENT REPORT OF:

REMEDIAL WORK ☐ALTERING CASING ☐COMMENCE DRILLING OPNS. ☐P AND A ☐CASING/CEMENT JOB ☐OTHER: ☐

13. Describe proposed or completed operations. (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work). SEE RULE 1103. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

New Drill, Lined:

Burlington Resources proposes to construct a new drilling pit and an associated vent/flare pit. Based on Burlington's interpretation of the Ecosphere's risk ranking criteria, the new drilling pit will be a lined pit as detailed in Burlington's Revised Drilling / Workover Pit Construction / Operation Procedures dated November 11, 2004 on file at the NMOCD office. A portion of the vent/flare pit will be designed to manage fluids and that portion will be lined as per the risk ranking criteria. Burlington Resources anticipates closing these pits according to the Drilling / Workover Pit Closure Procedure dated August 2, 2004 on file at the NMOCD office.

I hereby certify that the information above is true and complete to the best of my knowledge and belief. I further certify that any pit or below-grade tank has been/will be constructed or closed according to NMOCD guidelines ☐, a general permit ☒ or an (attached) alternative OCD-approved plan ☐.

SIGNATURE

TITLE

Sr. Staff Specialist

DATE

3/6/2006

Type or print name

Patsy Clugston

E-mail address:

pclubugston@br-inc.com

Telephone No.

505-326-9518

For State Use Only

APPROVED BY

TITLE

DEPUTY OIL & GAS INSPECTOR, DIST. 6

DATE

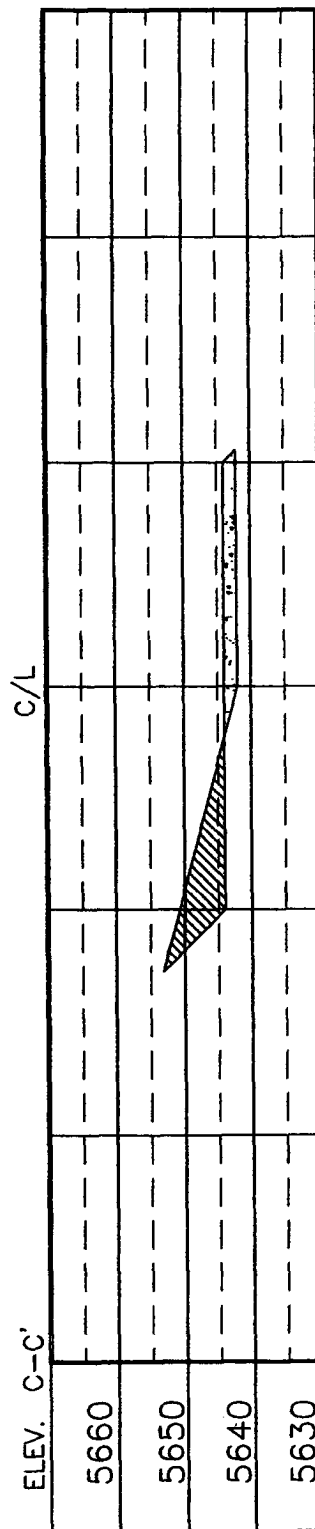
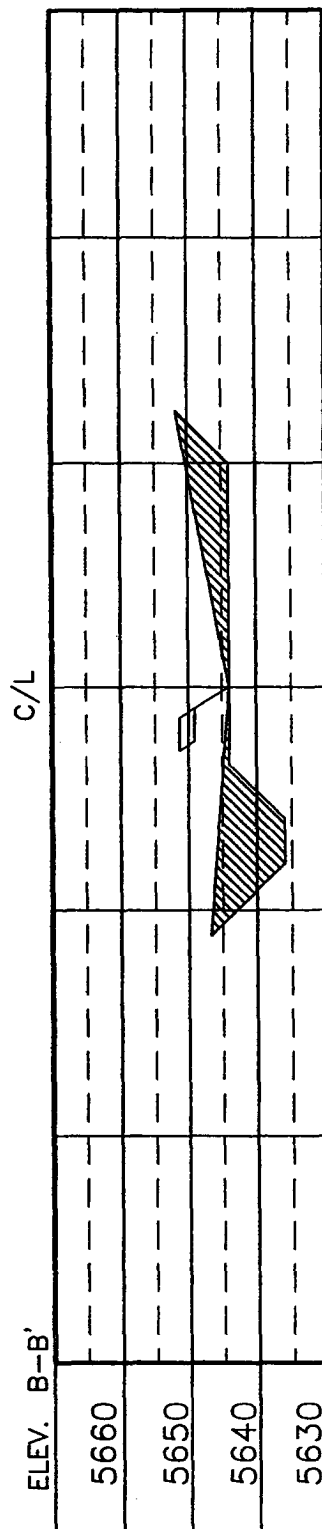
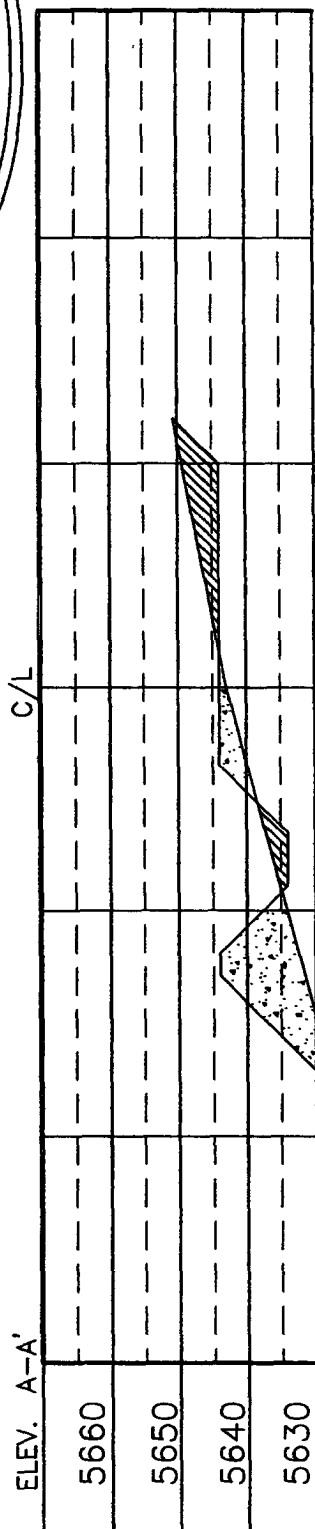
JUN 1 2 2006

Conditions of Approval (if any):

SECTION 18, T-29-N, R-10-W, N.M.P.M., SAN JUAN COUNTY, NEW MEXICO
GROUND ELEVATION: 5644, DATE: FEBRUARY 7, 2006


NAD 83
LAT. = 36.73062° N.
LONG. = 107.92318° W.

NAD 27
LAT. = 36°43.8367' N.
LONG. = 107°55.3536' W.



NOTE: DAGGETT ENTERPRISES, INC. IS NOT LIABLE FOR UNDERGROUND UTILITIES OR PIPELINES. NEW MEXICO ONE CALL TO BE NOTIFIED 48 HOURS PRIOR TO EXCAVATION OR CONSTRUCTION.

NOTE: CONTRACTOR SHOULD CALL ONE-CALL FOR LOCATION OF ANY MARKED OR UNMARKED BURIED PIPELINES OR CABLES ON WELL PAD AND OR ACCESS ROAD AT LEAST TWO (2) WORKING DAYS PRIOR TO CONSTRUCTION.

REVISION:	DATE:	REVISED BY:
		
<p>Daggett Enterprises, Inc. Surveying and Oil Field Services P. O. Box 15088 • Farmington, NM 87401 Phone (505) 326-1772 • Fax (505) 326-8019 NEW MEXICO L.S. 14831</p>		
DRAWN BY: G.V.	CADFILE: BR617.CFB	DATE: 02/17/08
BOWEN 68617		

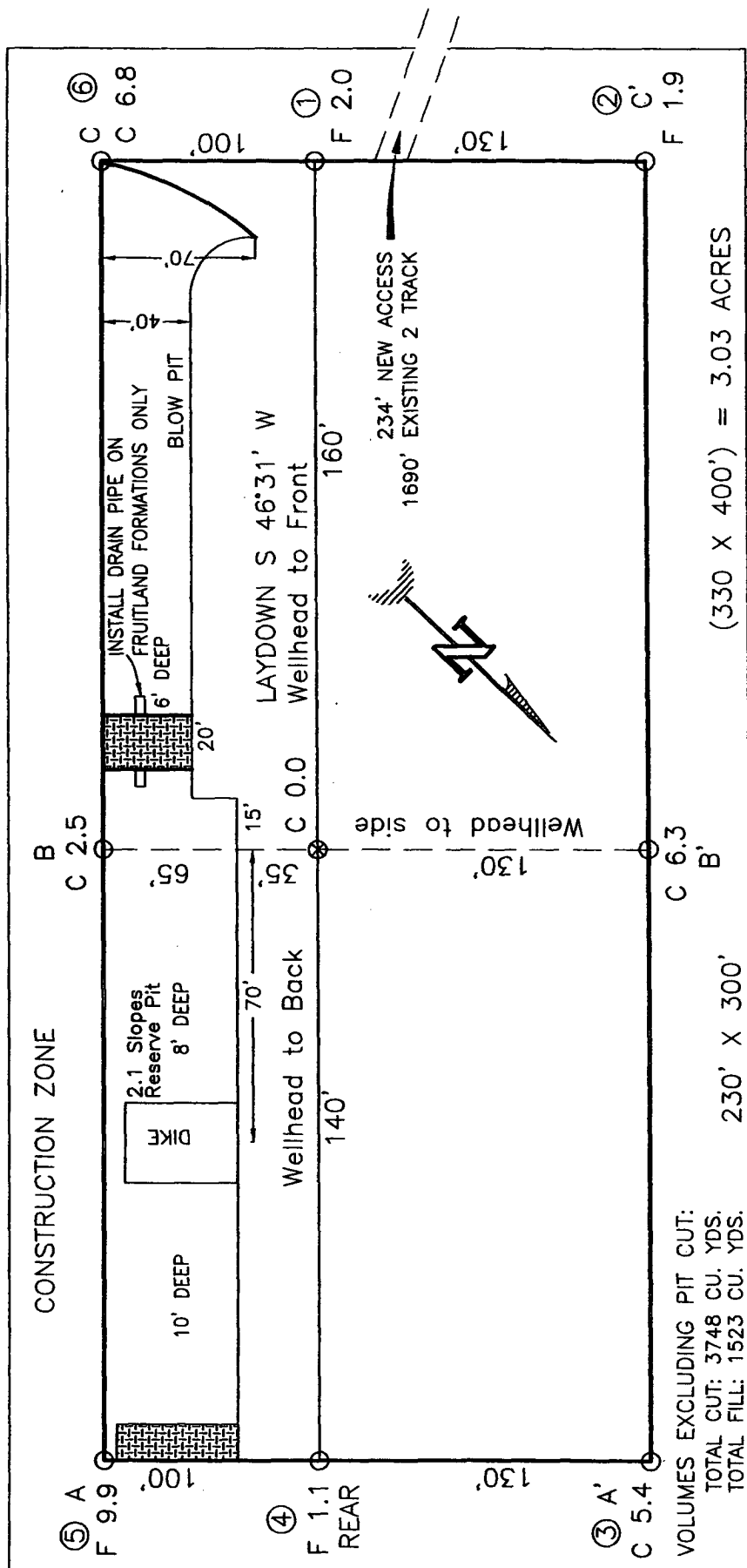
HUBBELL No. 3N, 940 FNL 1910 FEL

SECTION 18, T-29-N, R-10-W, N.M.P.M., SAN JUAN COUNTY, NEW MEXICO

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NOTE: ESTIMATED VOLUMES CALCULATED BY AVERAGE
END AREA AT CROSS-SECTION SHOWN

NOTE: CONTRACTOR SHOULD CALL ONE-CALL FOR LOCATION OF ANY MARKED OR UNMARKED BURIED PIPELINES OR CABLES ON WELL PAD AND OR ACCESS ROAD AT LEAST TWO (2) WORKING DAYS PRIOR TO CONSTRUCTION.

Daggett Enterprises, Inc.
Surveying and Oil Field Services
P. O. Box 15068 • Farmington, NM 87401
Phone 505 326-1772 • Fax 505 326-6019
NEW MEXICO L.S. 14831

ADVERTISING INFORMATION

NAME: G.V. BREYER	ADDRESS: 10015 N. 10TH AVE., SUITE 100, DENVER, CO 80231
PHONE: 303 751-1100	FAX: 303 751-1101
CITY: DENVER	STATE: CO
COUNTRY: U.S.A.	DATE: 02/17/06

OPERATIONS PLAN

Well Name: HUBBELL 3N
Location: 940' FNL & 1910' FEL, Section Sec 18 T29N R10W
San Juan County, New Mexico

Formation: Basin Dakota/Blanco Mesaverde
Elevation: 5644' GL
6256' GL

Surface	San Jose	738'	
Ojo Alamo	738'	858'	aquifer
Kirtland	858'	1796'	gas
Fruitland Coal	1796'	1971'	gas
Pictured Cliffs	1971'	2066'	gas
Lewis	2066'	2596'	
Huerfanito Bentonite	2596'		
Chacra	2966'	3616'	gas
Massive Cliff House	3616'	3661'	gas
Menefee	3661'	4246'	gas
Massive Point Lookout	4246'	4656'	gas
Mancos Shale	4656'	5521'	
Upper Gallup	5521'	6286'	gas
Greenhorn	6286'	6346'	gas
Graneros	6346'	6406'	gas
Two Wells	6406'	6461'	gas
Paguate	6461'	6519'	gas
Cubero	6519'	6576'	gas
Encinal	6576'	6591'	gas
Total Depth:	6591'		

Logging Program:

Mud Logs/Coring/DST

Mud logs - none
Coring - none
DST - none
Open hole - none
Cased hole - Gamma Ray, CBL - surface to TD

Mud Program:

<u>Interval</u>	<u>Type</u>	<u>Weight</u>	<u>Vis.</u>	<u>Fluid Loss</u>
0 - 120' ²⁰⁰	Spud MUD/Air/Air Mist	8.4 - 9.0	40 - 50	no control
120 - 2166'	LSND	8.4 - 9.0	30 - 60	no control
2166' - 6591'	Air/Air Mist/Nitrogen	n/a	n/a	n/a

Casing Program (as listed, the equivalent, or better):

<u>Hole Size</u>	<u>Depth Interval</u>	<u>Csg. Size</u>	<u>Wt.</u>	<u>Grade</u>
12 1/4"	0' - 120' ²⁰⁰	9 5/8"	32.3#	H-40
8 3/4"	0' - 2166'	7"	20/23#	J-55
6 1/4"	0' - 6591'	4 1/2"	10.5#	J-55

Tubing Program:

<u>Depth Interval</u>	<u>Csg. Size</u>	<u>Wt.</u>	<u>Grade</u>
0' - 6591'	2 3/8"	4.7#	J-55

BOP Specifications, Wellhead and Tests:

Surface to Intermediate TD -

11" 2000 psi minimum double gate BOP stack (Reference Figure #1). After nipple-up prior to drilling out surface casing, ~~rams~~ and casing will be tested to 600 psi for 30 minutes. ^{BOP}

Intermediate TD to Total Depth -

11" 2000 psi minimum double gate BOP stack (Reference Figure #1). After nipple-up prior to drilling out intermediate casing, ~~rams~~ and casing will be tested to 1500 psi for 30 minutes. ^{BOP}

Surface to Total Depth -

2" nominal, 2000 psi minimum choke manifold (Reference Figure #3).

Completion Operations -

7 1/16" 2000 psi double gate BOP stack (Reference Figure #2). After nipple-up prior to completion, pipe rams, casing and liner top will be tested to 2000 psi for 15 minutes.

Wellhead -

9 5/8" x 7" x 4 1/2" x 2 3/8" x 2000 psi tree assembly.

General -

- Pipe rams will be actuated once each day and blind rams will be actuated once each trip to test proper functioning.
- An upper kelly cock valve with handle available and drill string valves to fit each drill string will be available on the rig floors at all times.
- BOP pit level drill will be conducted weekly for each drill crew.
- All BOP tests & drills will be recorded in daily drilling reports.
- Blind and pipe rams will be equipped with extension hand wheels.

C. HARRADEN/ May 25, 2006 ^{C&W}

BURLINGTON RESOURCES/ Hubbell #3N APD
STIPULATION/CONDITION OF APPROVAL

This well is located within a 'vulnerable area'. In order to protect the integrity of the fresh water alluvium aquifer, a minimum surface csg. depth of 200' is stipulated as a condition of approval for this APD.

Cementing:

9 5/8" surface casing -

Pre-Set Drilled - Cement with 23 sx Type I, II cement with 20% flyash mixed at 14.5 ppg, 1.61 cu ft per sack yield. (38 cu ft of slurry, bring cement to surface) Wait on cement for 24 hours for pre-set holes before pressure testing or drilling out from under surface. ¹⁴⁷

Conventionally Drilled - Cement with ~~86~~ 13 sx Type III cement with 0.25 pps Celloflake, 2% CaCl. ~~143~~ 13 cu ft of slurry, 200% excess, bring cement to surface) Wait on cement for 8 hrs for conventionally set holes before pressure testing or drilling out from under surface. Wait on cement appropriate time until cement achieves 250 psi compressive strength at 60 degrees F. prior to nipple up of BOPE. Wait on cement for 8 hrs for conventionally set holes before pressure testing or drilling out from under surface. Test casing to 600 psi for 30 minutes.

Saw tooth guide shoe on bottom. Bowspring centralizers will be run in accordance with Onshore Order #2.

7" intermediate casing -

Lead with 168 sacks (358 cf - 64 bbls slurry) Premium Lite cement with 3% calcium chloride, 0.25 pps Celloflake, 5 pps LCM-1, 0.4% fluid loss, 0.4% sodium metasilicate. Tail w/90 sacks Type III cmt w/1% calcium chloride, 0.25 pps Celloflake, 0.2% fluid loss (124 cu ft 50% excess to circulate to surface). WOC minimum of 8 hours before drilling out intermediate casing. If cement does not circulate to surface, a CBL or a temperature survey will be run to determine TOC. Test casing to 1500 psi for 30 minutes.

7" intermediate casing alternative two stage -

Stage collar set 300' above the top of the FC. 1st stage: Lead ~~w/13~~ 13 sacks (27 cf - 5 bbl slurry) Premium Lite cement with 3% calcium chloride, .25 pps celloflake, 5 pps LCM-1, 0.4% fluid loss. Tail w/90 sxs (124 cf - 22 bbl slurry) Type III cmt w/1% calcium chloride, 0.25 pps Celloflake, 0.2% fluid loss. 2nd stage: 155 sacks (331 cf - 59 bbl slurry) Premium Lite cement with 3% calcium chloride, .25 pps celloflake, 5 pps LCM-1, 0.4% fluid loss, 0.4% sodium metasilicate (482 cu ft - 50% excess to circulate to surface).

Cement nose guide shoe on bottom with float collar spaced on top of shoe joint. Bowspring centralizers spaced every other joint off bottom, to the base of the Ojo Alamo @ 858'. Two turbolating centralizers at the base of the Ojo Alamo @ 858'. Bowspring centralizers spaced every fourth joint from the base of the Ojo Alamo to the base of the surface casing.

4 1/2" Production Casing -

Pump 290 sxs (574 cf - 102 bbl slurry) Premium Lite HS FM w/0.25 pps celloflake, 0.3% CD-32, 6.25 pps LCM-1, 1% fluid loss, 6% gel, 7 pps CSE, 30% excess to achieve 100' overlap in 4-1/2" x 7" annulus). WOC a minimum of 18 hrs prior to completing.

Cementing: Continued

Cement float collar stacked on top of float shoe.

Note: If open hole logs are run, cement volumes will be based on 25% excess over caliper volumes.

Cement nose guide shoe on bottom with float collar spaced on top of shoe joint. The liner hanger will have a rubber packoff.

- If hole conditions permit, an adequate water spacer will be pumped ahead of each cement job to prevent cement/ mud contamination or cement hydration.

Special Drilling Operations (Air/Mist Drilling):

The following equipment will be operational while air/mist drilling:

- An anchored blooie line will be utilized to discharge all cuttings and circulating medium to the blow pit a minimum of 100' from the wellhead.
- The blooie line will be equipped with an automatic igniter or pilot light.
- Compressors will be located a minimum of 100' from the wellhead in the opposite direction from the blooie line.
- Engines will have spark arresters or water cooled exhaust.
- The rotating head will be properly lubricated and maintained.
- A float valve will be utilized above the bit.
- Mud circulating equipment, water, and mud materials will be sufficient to maintain control of the well.

Additional Information:

- The Mesa Verde and Dakota formations will be completed and commingled.
- No abnormal temperatures or hazards are anticipated.
- Anticipated pore pressures are as follows:

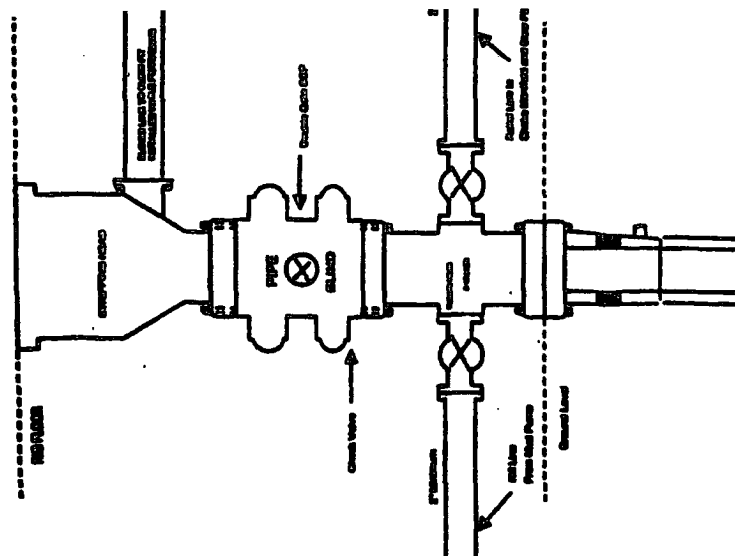
Fruitland Coal	300 psi
Pictured Cliffs	600 psi
Mesa Verde	700 psi
Dakota	2000 psi
- Sufficient LCM will be added to the mud system to maintain well control, if lost circulation is encountered below the top of the Pictured Cliffs.
- The East half of Section 18 is dedicated to the Mesa Verde formation and Dakota formation.
- This gas is dedicated.

Eden M. Hart 3/8/2006
Drilling Engineer

Date

BURLINGTON RESOURCES

Completion/Workover Rig
BOP Configuration
2,000 psi System



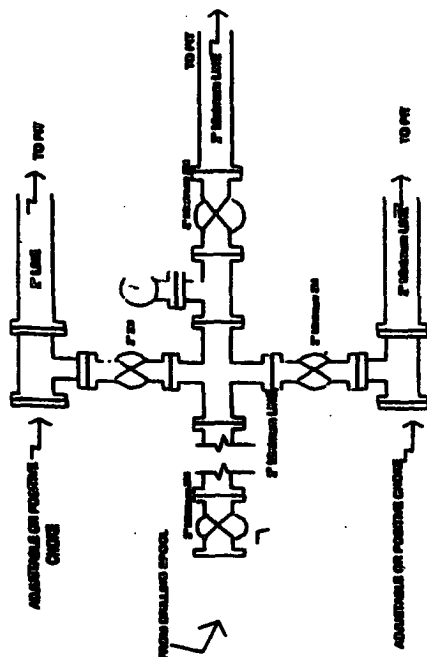
Minimum BOP Installation for all Completion/Workover Operations. 7-1/4" bore, 2000 psi minimum working pressure double gate BOP to be equipped with blind and pipe rams. A stripping head to be installed on the top of the BOP. All BOP equipment is 2000 psi working pressure or greater including 600 psi stripping head.

Figure #2

4-20-01

BURLINGTON RESOURCES

Drilling Rig
Choke Manifold Configuration
2000 psi System



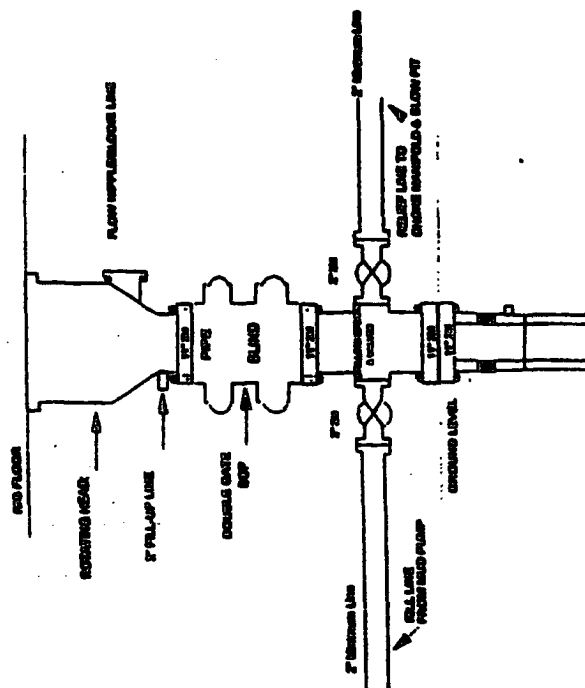
Choke manifold installation from Surface Casing Point to Total Depth. 2,000psi working pressure equipment with two chokes.

Figure #3

4-20-01

Burlington Resources

Drilling Rig
2000 psi System



BOP Installation from Surface Casing Point to Total Depth. 1 1/4" Bore 10" Minimum. 2000 psi working pressure double gate BOP to be equipped with blind and pipe rams. A stripping head to be installed on top of the BOP. All BOP equipment is 2,000 psi working pressure.

Figure #4